



DAVIESS COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1998

**From The Office Of State Auditor
Claire McCaskill**

Report No. 99-65
August 30, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

May 2000

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Daviess, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Daviess County was a financial and compliance audit of various county operating funds.

The audit includes some matters upon which the county should consider and take appropriate corrective action.

YELLOW SHEET

DAVIESS COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Daviess County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Daviess County, Missouri, as of and for the years ended December 31, 1998 and 1997, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

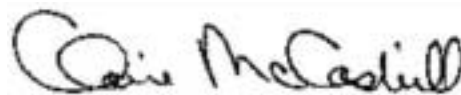
The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Daviess County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Daviess County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Daviess County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 1998 and 1997, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

Daviess County, Missouri, has not presented the disclosures required by Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by GASB Technical Bulletin 99-1, that the GASB has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the county is or will become year 2000-compliant, that the county's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the county does business are or will become year 2000-compliant.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 13, 1999, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

May 13, 1999 (fieldwork completion date)



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Daviess County, Missouri

We have audited the special-purpose financial statements of various funds of Daviess County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated May 13, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

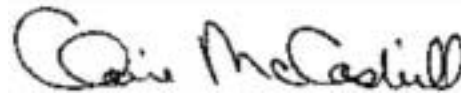
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Daviess County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to the management of the county in the accompanying Letter on Other Matters.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Daviess County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material

weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the county in the accompanying Letter on Other Matters.

This report is intended for the information of the management of Daviess County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

May 13, 1999 (fieldwork completion date)

Financial Statements

Exhibit A-1

DAVIESS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 546,957	615,821	596,816	565,962
Special Road and Bridge	572,077	2,234,875	1,968,888	838,064
Assessment	0	127,782	123,073	4,709
Law Enforcement Training	8,869	5,510	4,715	9,664
Prosecuting Attorney Training	886	1,322	838	1,370
Frazier Trust	12,745	676	65	13,356
Law Enforcement Training - POST	1,098	987	924	1,161
Law Enforcement Sales Tax	30,073	288,127	299,887	18,313
Mays Estate	14,396	869	2,427	12,838
Domestic Violence	173	367	0	540
Prosecuting Attorney Bad Check	4,947	3,715	4,096	4,566
Jackson Township Grant Maintenance	33,860	6,493	0	40,353
Local Emergency Planning Committee	3,172	107	756	2,523
Sheriff Civil Fees	2,500	6,994	0	9,494
Prosecuting Attorney Forfeitures	1,105	19	638	486
Sheriff Forfeitures	554	17	0	571
Recorder's User Fees	17,066	5,642	1,528	21,180
Prosecuting Attorney Delinquent Tax	153	147	215	85
County Clerk Grant	905	2,535	3,440	0
Central Dispatch Emergency Services	272,593	197,096	269,829	199,860
Health Center	140,108	296,865	258,812	178,161
Law Library	925	1,625	2,146	404
Jail Capital Improvement	0	102,752	0	102,752
Community Development Block Grant	81	65,108	65,108	81
Developmentally Disabled	0	9,457	0	9,457
Circuit Clerk Interest	753	1,040	1,031	762
Associate Circuit Interest	555	753	225	1,083
Total	\$ 1,666,551	3,976,701	3,605,457	2,037,795

The accompanying Notes to the Financial Statements are an integral part of this statement.

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Exhibit A-2

DAVIESS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1997

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 389,198	590,257	432,498	546,957
Special Road and Bridge	530,400	1,301,111	1,259,434	572,077
Assessment	943	102,107	103,050	0
Law Enforcement Training	8,558	5,058	4,747	8,869
Prosecuting Attorney Training	212	1,803	1,129	886
Frazier Trust	12,291	607	153	12,745
Law Enforcement Training - POST	1,066	712	680	1,098
Law Enforcement Sales Tax	7,887	302,872	280,686	30,073
Mays Estate	17,052	474	3,130	14,396
Domestic Violence	475	314	616	173
Prosecuting Attorney Bad Check	1,753	3,550	356	4,947
Jackson Township Grant Maintenance	58,593	14,232	38,965	33,860
Local Emergency Planning Committee	4,256	151	1,235	3,172
Sheriff Civil Fees	0	2,500	0	2,500
Prosecuting Attorney Forfeitures	1,290	60	245	1,105
Sheriff Forfeitures	549	5	0	554
Recorder's User Fees	17,070	5,883	5,887	17,066
Prosecuting Attorney Delinquent Tax	291	152	290	153
County Clerk Grant	0	3,905	3,000	905
Local Emergency Planning Committee - Flow Grant	989	13	1,002	0
Central Dispatch Emergency Services	248,800	204,264	180,471	272,593
Health Center	114,639	304,322	278,853	140,108
Law Library	3	1,871	949	925
Community Development Block Grant	81	0	0	81
Circuit Clerk Interest	1,291	964	1,502	753
Associate Circuit Interest	0	645	90	555
Total	\$ 1,417,687	2,847,832	2,598,968	1,666,551

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

DAVISS COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 GENERAL REVENUE FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 187,500	188,051	551	207,100	216,034	8,934
Sales taxes	190,000	189,981	-19	175,000	191,654	16,654
Intergovernmental	33,316	30,923	-2,393	27,400	36,152	8,752
Charges for services	97,150	99,997	2,847	88,100	101,985	13,885
Interest	20,000	26,033	6,033	15,000	23,780	8,780
Other	23,400	27,769	4,369	18,000	15,960	-2,040
Transfers in	52,800	53,067	267	1,000	4,692	3,692
Total Receipts	604,166	615,821	#VALUE!	531,600	590,257	#VALUE!
DISBURSEMENTS						
County Commission	55,502	55,310	192	51,900	52,228	-328
County Clerk	57,902	54,621	3,281	55,917	53,082	2,835
Elections	30,150	27,950	2,200	18,750	17,239	1,511
Buildings and grounds	95,011	62,710	32,301	63,000	39,283	23,717
Employee fringe benefits	22,000	18,531	3,469	20,300	18,609	1,691
County Treasurer	34,643	34,010	633	33,590	32,893	697
Ex Officio County Collector	2,000	1,112	888	1,800	1,058	742
Circuit Clerk and Ex Officio Recorder of Deeds	19,728	19,488	240	20,028	19,223	805
Associate Circuit Court	10,200	7,183	3,017	6,400	6,312	88
Court administration	14,054	6,066	7,988	14,915	9,333	5,582
Public Administrator	6,162	5,799	363	5,730	5,713	17
Sheriff	0	0	0	2,500	2,100	400
Prosecuting Attorney	60,490	60,724	-234	58,895	56,320	2,575
Juvenile Officer	19,464	15,834	3,630	18,581	14,694	3,887
County Coroner	9,892	7,575	2,317	10,465	8,351	2,114
Insurance	10,000	13,568	-3,568	10,000	9,371	629
University Extension	26,500	26,499	1	21,500	21,500	0
Industrial Development Authority	20,000	20,000	0	15,000	15,000	0
Copier/fax	4,000	3,206	794	7,500	7,625	-125
Plats and maps	10,000	8,510	1,490	10,000	0	10,000
Public health and welfare services	1,000	0	1,000	1,000	0	1,000
Other	18,850	14,351	4,499	18,142	15,081	3,061
Transfers out	137,063	133,769	3,294	57,570	27,483	30,087
Emergency Fund	30,000	0	30,000	30,000	0	30,000
Total Disbursements	694,611	596,816	97,795	553,483	432,498	120,985
RECEIPTS OVER (UNDER) DISBURSEMENTS	-90,445	19,005	#VALUE!	-21,883	157,759	#VALUE!
CASH, JANUARY 1	546,957	546,957	0	389,198	389,198	0
CASH, DECEMBER 31	\$ 456,512	565,962	#VALUE!	367,315	546,957	#VALUE!

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

DAVISS COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL ROAD AND BRIDGE FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 2,692,098	2,184,362	-507,736	1,342,000	1,242,097	-99,903
Charges for services	8,500	16,394	7,894	10,000	12,709	2,709
Interest	20,000	32,375	12,375	26,500	22,920	-3,580
Other	1,500	1,744	244	1,000	23,385	22,385
Total Receipts	2,722,098	2,234,875	-487,223	1,379,500	1,301,111	-78,389
DISBURSEMENTS						
Salaries	115,000	84,105	30,895	110,000	103,024	6,976
Employee fringe benefits	16,400	12,538	3,862	15,400	14,193	1,207
Supplies	26,800	10,941	15,859	25,300	20,554	4,746
Insurance	11,500	4,994	6,506	11,500	7,289	4,211
Road and bridge materials	290,500	309,544	-19,044	300,500	217,264	83,236
Equipment repairs	35,000	12,810	22,190	30,000	31,752	-1,752
Rentals	2,000	1,481	519	1,000	704	296
Equipment purchases	120,000	67,611	52,389	45,000	26,082	18,918
Construction, repair, and maintenance	2,158,902	1,405,374	753,528	840,000	827,646	12,354
Other	9,200	5,070	4,130	8,800	5,506	3,294
Transfers out	54,420	54,420	0	5,420	5,420	0
Total Disbursements	2,839,722	1,968,888	870,834	1,392,920	1,259,434	133,486
RECEIPTS OVER (UNDER) DISBURSEMENTS	-117,624	265,987	383,611	-13,420	41,677	55,097
CASH, JANUARY 1	572,077	572,077	0	530,400	530,400	0
CASH, DECEMBER 31	\$ 454,453	838,064	383,611	516,980	572,077	55,097

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

DAVIESS COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ASSESSMENT FUND

Year Ended December 31,							
1998				1997			
			Variance Favorable			Variance Favorable	
	Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)	
RECEIPTS							
Intergovernmental	\$	109,883	99,416	-10,467	93,200	87,988	-5,212
Interest		300	401	101	950	351	-599
Other		300	1,582	1,282	950	929	-21
Transfers in		37,063	26,383	-10,680	22,570	12,839	-9,731
Total Receipts		147,546	127,782	-19,764	117,670	102,107	-15,563
DISBURSEMENTS							
Assessor		146,796	123,073	23,723	118,588	103,050	15,538
Total Disbursements		146,796	123,073	23,723	118,588	103,050	15,538
RECEIPTS OVER (UNDER) DISBURSEMENTS		750	4,709	3,959	-918	-943	-25
CASH, JANUARY 1		0	0	0	943	943	0
CASH, DECEMBER 31	\$	750	4,709	3,959	25	0	-25

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

DAVIESS COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT TRAINING FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 4,000	5,154	1,154	3,000	4,854	1,854
Interest	200	356	156	300	204	-96
Total Receipts	4,200	5,510	1,310	3,300	5,058	1,758
DISBURSEMENTS						
Sheriff	7,350	1,846	5,504	2,600	1,055	1,545
Transfers out	2,800	2,869	-69	2,000	3,692	-1,692
Total Disbursements	10,150	4,715	5,435	4,600	4,747	-147
RECEIPTS OVER (UNDER) DISBURSEMENTS	-5,950	795	6,745	-1,300	311	1,611
CASH, JANUARY 1	8,869	8,869	0	8,558	8,558	0
CASH, DECEMBER 31	\$ 2,919	9,664	6,745	7,258	8,869	1,611

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

DAVISS COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY TRAINING FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 2,000	1,292	-708	1,750	1,791	41
Interest	15	30	15	10	12	2
Total Receipts	2,015	1,322	-693	1,760	1,803	43
DISBURSEMENTS						
Prosecuting Attorney	1,950	838	1,112	1,655	1,129	526
Total Disbursements	1,950	838	1,112	1,655	1,129	526
RECEIPTS OVER (UNDER) DISBURSEMENTS	65	484	419	105	674	569
CASH, JANUARY 1	886	886	0	212	212	0
CASH, DECEMBER 31	\$ 951	1,370	419	317	886	569

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

DAVIESS COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
FRAZIER TRUST FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 600	676	76	350	607	257
Total Receipts	600	676	76	350	607	257
DISBURSEMENTS						
School supplies	500	65	435	400	153	247
Total Disbursements	500	65	435	400	153	247
RECEIPTS OVER (UNDER) DISBURSEMENTS	100	611	511	-50	454	504
CASH, JANUARY 1	12,745	12,745	0	12,291	12,291	0
CASH, DECEMBER 31	\$ 12,845	13,356	511	12,241	12,745	504

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

DAVIESS COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT TRAINING - POST FUND

		Year Ended December 31,					
		1998			1997		
			Variance Favorable			Variance Favorable	
		Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)
RECEIPTS							
Intergovernmental	\$	700	924	224	0	680	680
Interest		35	63	28	10	32	22
Total Receipts		735	987	252	10	712	702
DISBURSEMENTS							
Sheriff		1,000	924	76	1,000	680	320
Total Disbursements		1,000	924	76	1,000	680	320
RECEIPTS OVER (UNDER) DISBURSEMENTS		-265	63	328	-990	32	1,022
CASH, JANUARY 1		1,098	1,098	0	1,066	1,066	0
CASH, DECEMBER 31		\$ 833	1,161	328	76	1,098	1,022

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

DAVIESS COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT SALES TAX FUND

Year Ended December 31,						
1998				1997		
		Variance			Variance	
	Budget	Favorable		Budget	Favorable	
		(Unfavorable)			(Unfavorable)	
RECEIPTS						
Sales taxes	\$ 190,000	189,972	-28	175,000	191,654	16,654
Intergovernmental	45,000	62,288	17,288	12,500	43,917	31,417
Charges for services	18,000	8,971	-9,029	18,300	17,357	-943
Interest	800	906	106	600	827	227
Other	29,650	21,129	-8,521	33,600	34,473	873
Transfers in	0	4,861	4,861	35,000	14,644	-20,356
Total Receipts	283,450	288,127	4,677	275,000	302,872	27,872
DISBURSEMENTS						
Salaries	121,038	121,600	-562	117,231	116,850	381
Office expenditures	5,900	3,692	2,208	5,400	4,431	969
Equipment	1,500	0	1,500	1,500	0	1,500
Mileage and training	39,500	35,047	4,453	36,803	35,006	1,797
Prisoner costs	114,100	122,979	-8,879	100,000	107,743	-7,743
Fringe benefits	12,400	11,828	572	12,300	11,539	761
Other	6,590	4,741	1,849	6,340	5,117	1,223
Total Disbursements	301,028	299,887	1,141	279,574	280,686	-1,112
RECEIPTS OVER (UNDER) DISBURSEMENTS	-17,578	-11,760	5,818	-4,574	22,186	26,760
CASH, JANUARY 1	30,073	30,073	0	7,887	7,887	0
CASH, DECEMBER 31	\$ 12,495	18,313	5,818	3,313	30,073	26,760

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

DAVIESS COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
MAYS ESTATE FUND

		Year Ended December 31,					
		1998			1997		
				Variance Favorable			Variance Favorable
		Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)
RECEIPTS							
Interest	\$	450	869	419	1,000	474	-526
Total Receipts		450	869	419	1,000	474	-526
DISBURSEMENTS							
Nursing home kitchen equipment		10,000	2,427	7,573	18,000	3,130	14,870
Total Disbursements		10,000	2,427	7,573	18,000	3,130	14,870
RECEIPTS OVER (UNDER) DISBURSEMENTS		-9,550	-1,558	7,992	-17,000	-2,656	14,344
CASH, JANUARY 1		14,396	14,396	0	17,052	17,052	0
CASH, DECEMBER 31	\$	4,846	12,838	7,992	52	14,396	14,344

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

DAVIESS COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
DOMESTIC VIOLENCE FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 300	355	55	370	305	-65
Interest	8	12	4	10	9	-1
Total Receipts	308	367	59	380	314	-66
DISBURSEMENTS						
Women's and children's shelter	450	0	450	850	616	234
Total Disbursements	450	0	450	850	616	234
RECEIPTS OVER (UNDER) DISBURSEMENTS	-142	367	509	-470	-302	168
CASH, JANUARY 1	173	173	0	475	475	0
CASH, DECEMBER 31	\$ 31	540	509	5	173	168

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

DAVIESS COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY BAD CHECK FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Charges for services	\$	3,500	3,715	215	2,500	3,550	1,050
Total Receipts		3,500	3,715	215	2,500	3,550	1,050
DISBURSEMENTS							
Prosecuting Attorney		8,000	4,096	3,904	4,000	356	3,644
Total Disbursements		8,000	4,096	3,904	4,000	356	3,644
RECEIPTS OVER (UNDER) DISBURSEMENTS		-4,500	-381	4,119	-1,500	3,194	4,694
CASH, JANUARY 1		4,947	4,947	0	1,753	1,753	0
CASH, DECEMBER 31	\$	447	4,566	4,119	253	4,947	4,694

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

DAVISS COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 JACKSON TOWNSHIP GRANT MAINTENANCE FUND

Year Ended December 31,						
1998				1997		
Budget	Actual	Variance Favorable (Unfavorable)		Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 500	500	0	500	500	0
Interest	2,500	1,573	-927	1,250	3,312	2,062
Other	6,000	0	-6,000	0	6,000	6,000
Transfers in	4,420	4,420	0	4,420	4,420	0
Total Receipts	13,420	6,493	-6,927	6,170	14,232	8,062
DISBURSEMENTS						
Road maintenance	0	0	0	40,000	38,965	1,035
Total Disbursements	0	0	0	40,000	38,965	1,035
RECEIPTS OVER (UNDER) DISBURSEMENTS	13,420	6,493	-6,927	-33,830	-24,733	9,097
CASH, JANUARY 1	33,860	33,860	0	58,593	58,593	0
CASH, DECEMBER 31	\$ 47,280	40,353	-6,927	24,763	33,860	9,097

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit N

DAVIESS COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LOCAL EMERGENCY PLANNING COMMITTEE FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 0	0	0	3,500	0	-3,500
Interest	125	88	-37	0	151	151
Other	0	19	19	0	0	0
Total Receipts	125	107	-18	3,500	151	-3,349
DISBURSEMENTS						
Other	3,000	756	2,244	5,000	1,235	3,765
Total Disbursements	3,000	756	2,244	5,000	1,235	3,765
RECEIPTS OVER (UNDER) DISBURSEMENTS	-2,875	-649	2,226	-1,500	-1,084	416
CASH, JANUARY 1	3,172	3,172	0	4,256	4,256	0
CASH, DECEMBER 31	\$ 297	2,523	2,226	2,756	3,172	416

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit O

DAVIESS COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

SHERIFF CIVIL FEES FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 10,000	6,852	-3,148
Interest	100	142	42
Total Receipts	10,100	6,994	-3,106
DISBURSEMENTS			
Sheriff	12,500	0	12,500
Total Disbursements	12,500	0	12,500
RECEIPTS OVER (UNDER) DISBURSEMENTS	-2,400	6,994	9,394
CASH, JANUARY 1	2,500	2,500	0
CASH, DECEMBER 31	\$ 100	9,494	9,394

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit P

DAVIESS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY FORFEITURES FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$ 10	19	9
Total Receipts	10	19	9
DISBURSEMENTS			
Prosecuting Attorney	1,000	638	362
Total Disbursements	1,000	638	362
RECEIPTS OVER (UNDER) DISBURSEMENTS	-990	-619	371
CASH, JANUARY 1	1,105	1,105	0
CASH, DECEMBER 31	\$ 115	486	371

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit Q

DAVIESS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SHERIFF FORFEITURES FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$ 10	17	7
Other	500	0	-500
Total Receipts	510	17	-493
DISBURSEMENTS			
Sheriff	1,000	0	1,000
Total Disbursements	1,000	0	1,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	-490	17	507
CASH, JANUARY 1	554	554	0
CASH, DECEMBER 31	\$ 64	571	507

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit R

DAVIESS COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
RECORDER'S USER FEES FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 5,300	5,086	-214	4,500	5,382	882
Interest	0	556	556	500	501	1
Total Receipts	5,300	5,642	342	5,000	5,883	883
DISBURSEMENTS						
Ex Officio Recorder of Deeds	19,000	1,528	17,472	21,948	5,887	16,061
Total Disbursements	19,000	1,528	17,472	21,948	5,887	16,061
RECEIPTS OVER (UNDER) DISBURSEMENTS	-13,700	4,114	17,814	-16,948	-4	16,944
CASH, JANUARY 1	17,066	17,066	0	17,070	17,070	0
CASH, DECEMBER 31	\$ 3,366	21,180	17,814	122	17,066	16,944

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit S

DAVIESS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY DELINQUENT TAX FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	\$ 150	147	-3
Total Receipts	150	147	-3
DISBURSEMENTS			
Prosecuting Attorney	300	215	85
Total Disbursements	300	215	85
RECEIPTS OVER (UNDER) DISBURSEMENTS	-150	-68	82
CASH, JANUARY 1	153	153	0
CASH, DECEMBER 31	\$ 3	85	82

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit T

DAVIESS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
COUNTY CLERK GRANT FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	\$ 1,557	0	-1,557
Interest	0	10	10
Transfers in	3,740	2,525	-1,215
Total Receipts	5,297	2,535	-2,762
DISBURSEMENTS			
County Clerk	6,202	3,242	2,960
Transfers out	0	198	-198
Total Disbursements	6,202	3,440	2,762
RECEIPTS OVER (UNDER) DISBURSEMENTS	-905	-905	0
CASH, JANUARY 1	905	905	0
CASH, DECEMBER 31	\$ 0	0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit U

DAVIESS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LOCAL EMERGENCY PLANNING COMMITTEE - FLOW GRANT FUND

Year Ended December 31,			
1997			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$ 10	13	3
Total Receipts	10	13	3
DISBURSEMENTS			
Other	999	1,002	-3
Total Disbursements	999	1,002	-3
RECEIPTS OVER (UNDER) DISBURSEMENTS	-989	-989	0
CASH, JANUARY 1	989	989	0
CASH, DECEMBER 31	\$ 0	0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit V

DAVIESS COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
CENTRAL DISPATCH EMERGENCY SERVICES FUND

Year Ended December 31,						
1998			1997			
		Variance			Variance	
	Budget	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)	
RECEIPTS						
Sales taxes	\$ 180,000	190,299	10,299	175,000	190,321	15,321
Interest	4,000	5,970	1,970	4,000	13,893	9,893
Other	0	827	827	0	50	50
Total Receipts	184,000	197,096	13,096	179,000	204,264	25,264
DISBURSEMENTS						
Salaries	88,000	81,473	6,527	90,000	0	90,000
Office expenditures	5,000	4,381	619	5,000	1,569	3,431
Equipment	80,000	83,127	-3,127	60,000	97,597	-37,597
Mileage and training	2,000	1,794	206	1,000	0	1,000
Mapping	0	67,665	-67,665	80,000	21,482	58,518
Consultant	0	0	0	48,000	58,843	-10,843
Maintenance and repairs	5,000	3,554	1,446	0	0	0
Other	0	27,835	-27,835	10,000	980	9,020
Total Disbursements	180,000	269,829	-89,829	294,000	180,471	113,529
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,000	-72,733	-76,733	-115,000	23,793	138,793
CASH, JANUARY 1	272,593	272,593	0	248,800	248,800	0
CASH, DECEMBER 31	\$ 276,593	199,860	-76,733	133,800	272,593	138,793

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit W

DAVISS COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
HEALTH CENTER FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 47,700	61,852	14,152	45,000	52,602	7,602
Intergovernmental	148,575	103,122	-45,453	102,755	127,860	25,105
Charges for services	78,750	89,623	10,873	75,400	114,364	38,964
Interest	5,000	7,201	2,201	5,000	3,531	-1,469
Other	2,400	35,067	32,667	1,250	5,965	4,715
Total Receipts	282,425	296,865	14,440	229,405	304,322	74,917
DISBURSEMENTS						
Salaries	196,879	201,449	-4,570	194,909	207,851	-12,942
Office expenditures	36,150	13,582	22,568	14,700	18,687	-3,987
Equipment	8,050	1,499	6,551	10,950	7,087	3,863
Mileage and training	5,900	5,775	125	9,500	10,997	-1,497
Other	48,970	36,507	12,463	27,950	34,231	-6,281
Total Disbursements	295,949	258,812	37,137	258,009	278,853	-20,844
RECEIPTS OVER (UNDER) DISBURSEMENTS	-13,524	38,053	51,577	-28,604	25,469	54,073
CASH, JANUARY 1	140,108	140,108	0	114,639	114,639	0
CASH, DECEMBER 31	\$ 126,584	178,161	51,577	86,035	140,108	54,073

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit X

DAVIESS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW LIBRARY FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 1,910	1,625	-285
Total Receipts	1,910	1,625	-285
DISBURSEMENTS			
Office expenditures	2,835	2,146	689
Total Disbursements	2,835	2,146	689
RECEIPTS OVER (UNDER) DISBURSEMENTS	-925	-521	404
CASH, JANUARY 1	925	925	0
CASH, DECEMBER 31	\$ 0	404	404

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

DAVIESS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Daviess County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Central Dispatch for Emergency Services Board, the Health Center Board, or the Developmentally Disabled Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1998, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Sheriff Civil Fees Fund	1997
Prosecuting Attorney Forfeitures Fund	1997
Sheriff Forfeitures Fund	1997
Prosecuting Attorney Delinquent Tax Fund	1997
County Clerk Grant Fund	1997
Law Library Fund	1997
Community Development Block Grant Fund	1998 and 1997
Developmentally Disabled Fund	1998
Circuit Clerk Interest Fund	1998 and 1997
Associate Circuit Interest Fund	1998 and 1997

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Enforcement Training Fund	1997
Law Enforcement Sales Tax Fund	1997
Local Emergency Planning Committee - Flow Grant Fund	1997
Central Dispatch Emergency Services Fund	1998
Health Center Fund	1997

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Recorder's User Fees Fund	1997
Central Dispatch Emergency Services Fund	1998
Health Center Fund	1998
Law Library Fund	1998 and 1997
Community Development Block Grant Fund	1998 and 1997

Developmentally Disabled Fund	1998
Circuit Clerk Interest Fund	1998 and 1997
Associate Circuit Interest Fund	1998 and 1997

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1998, effective August 28, 1997, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 1998 and 1997, were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name.

The Health Center Board's deposits at December 31, 1998 and 1997, were entirely covered by federal depository insurance or by collateral securities held by the Health Center Board's custodial bank in the name of the Health Center Board.

However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances for the Health Center Board existed at those times although not at year-end.

To protect the safety of county deposits, Section 110.020, RSMo 1994, requires depositories to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

3. Use Tax Liability

The local use tax under Section 144.748, RSMo 1994, was struck down in its entirety by the Missouri Supreme Court in *Associated Industries of Missouri v. Director of Revenue*, 918 S.W.2d 780 (Mo. banc 1996). In *St. Charles County v. Director of Revenue*, 961 S.W.2d 44 (Mo. banc 1998), the Missouri Supreme Court ruled that local use taxes paid prior to the repeal of Section 144.748, RSMo 1994, must be refunded to taxpayers and authorized the Department of Revenue (DOR) to withhold amounts otherwise due to political subdivisions to the extent such withholding is necessary to cover the refund expense. On March 24, 1998, the Cole County Circuit Court entered final judgment in accordance with the Supreme Court's opinion and ordered the DOR to process refund claims filed.

The county has received \$82,087 in local use tax since its inception. The DOR has estimated the county's share of the total refund liability to be \$46,841. As of December 31, 1998, \$20,925 remains to be paid.

Supplementary Schedule

Schedule

DAVIESS COUNTY, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1998	1997
U. S. DEPARTMENT OF AGRICULTURE				
	Passed through state:			
	Department of Health -			
10.6	Special Supplemental Nutrition Program for Women, Infants, and Children	ER0045-8130	\$ 28,882	47,901
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
	Passed through state:			
	Department of Economic Development -			
14.2	Community Development Block Grants/State's Program	93-PF-10	65,108	0
U. S. DEPARTMENT OF TRANSPORTATION				
	Passed through state Highway and Transportation Commission -			
20.2	Off-System Bridge Replacement and Rehabilitation Program	BRO-031(09)	1,291	0
		BRO-031(11)	0	322,036
		BRO-031(14)	264,390	0
		BRO-031(16)	330,672	0
	Program Total		<u>596,353</u>	<u>322,036</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY				
	Passed through state Department of Public Safety -			
83.5	Public Assistance Grants	1054-DR-MO	830,580	473,108
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	Passed through state:			
	Department of Health -			
93.3	Immunization Grants	PG0064-9130	5,095	6,553
	Department of Social Services -			
93.6	Child Support Enforcement	N/A	1,420	2,311
	Department of Health -			
93.6	Child Care and Development Block Grant	ER0146-9130	110	0
94.0	Maternal and Child Health Services Block Grant to the States	ER0146-8130	16,238	15,406
	Total Expenditures of Federal Awards		<u>\$ 1,543,786</u>	<u>867,315</u>

N/A - Not applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Supplementary Schedule

DAVIESS COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Daviess County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Because Daviess County expended no noncash awards for the years ended December 31, 1998 and 1997, the schedule includes expenditures of cash awards only.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 1998 and 1997.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Daviess County, Missouri

Compliance

We have audited the compliance of Daviess County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

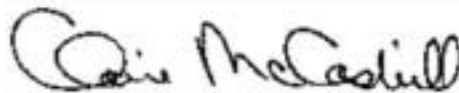
In our opinion, Daviess County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997.

Internal Control Over Compliance

The management of Daviess County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of Daviess County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

May 13, 1999 (fieldwork completion date)

Schedule

DAVIESS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 1998 AND 1997

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? yes x no

Reportable condition identified that is
not considered to be a material weakness? yes x none reported

Noncompliance material to the financial statements
noted? yes x no

Federal Awards

Internal control over major programs:

Material weakness identified? yes x no

Reportable condition identified that is
not considered to be a material weakness? yes x none reported

Type of auditor's report issued on compliance for
major programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133? yes x no

Identification of major programs:

CFDA or Other Identifying Number	Program Title
20.205	Off-System Bridge Replacement and Rehabilitation Program
83.544	Public Assistance Grants

Dollar threshold used to distinguish between Type A
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? ☐ yes ☒ no

Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

DAVIESS COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Our prior audit report issued for the two years ended December 31, 1996, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

DAVIESS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

Our prior audit report issued for the two years ended December 31, 1996, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

SECTION ON OTHER MATTERS

DAVIESS COUNTY, MISSOURI
LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of Daviess County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated May 13, 1999. We also have audited the compliance of Daviess County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997, and have issued our report thereon dated May 13, 1999.

We did not review the operations of elected officials with funds other than those presented in the special-purpose financial statements. The operations of such officials will be reviewed and reported on during the state auditor's next scheduled audit of the county.

This Letter on Other Matters presents matters other than the findings, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These matters resulted from our audit of the special-purpose financial statements of Daviess County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*. Nevertheless, the county should consider these matters and take appropriate corrective action.

1. Budgetary Practices

Actual expenditures exceeded budgeted amounts in the Central Dispatch Emergency Services Fund by \$89,829 and in the Health Center Fund by \$20,844 in the years ended December 31, 1998 and 1997, respectively.

2. Personnel Policies and Procedures

Time sheets are not prepared by the Sheriff's department employees.

In 1998, the former Prosecuting Attorney paid \$2,623 to a secretary in his office from the Prosecuting Attorney Bad Check Fund. There was no supporting documentation for this disbursement.

3. Central Dispatch for Emergency Services Board

The chairman of the Central Dispatch for Emergency Services Board also works as a dispatcher in the Central Dispatch office for which she is compensated which may represent a conflict of interest.

This Letter on Other Matters is intended for the information of the management of Daviess County, Missouri, and other applicable government officials. However, this letter is a matter of public record and its distribution is not limited.